



U.S. TRADE IN PERSPECTIVE

U.S. Department of Commerce, International Trade Administration, Trade Development April 2001



Lowest Trade Deficit Since December '99; Sharp Decline in Imports

Recent Developments: *U.S. exports of goods and services rose \$0.9 billion to \$90.5 billion in February 2001 and imports declined \$5.4 billion to \$117.4 billion. The trade deficit was \$27.0 billion, \$6.3 billion smaller than January's revised data.*

Trade Performance: Year-to-date, exports were up 6.5 percent, while imports were up 7.4 percent. The goods and services deficit was \$361.4 billion (annual rate), compared with a deficit of \$329.1 billion in the same period in 2000.

In February, U.S. exports of goods rose \$0.7 billion to \$65.2 billion. This increase was largely due to a jump in exports of civilian aircraft. Merchandise imports fell \$5.5 billion to \$98.6 billion, reflecting decreases in energy products, consumer goods such as artwork and toys, games, and sporting goods, and high tech commodities—telecom equipment, computers, and semiconductors. The trade surplus in services increased \$0.1 billion from January to \$6.4 billion reflecting an increase in U.S. exports of other private services (which includes financial services and business, professional, and technical services).

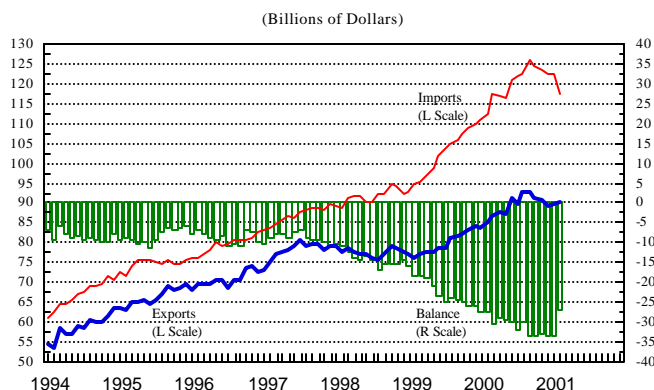
In 2000, the U.S. trade deficit was 3.7 percent of the gross domestic product (GDP). In 1999, the trade deficit was 2.8 percent of GDP, and, in 1998, it was 1.9 percent.

February Highlights:

- February exports to Western Europe (\$16.2 billion) were the second highest on record. The record was December 2000 (\$16.7 billion).
- February exports to Germany (\$2.9 billion) were a record.
- The February deficit with China (\$5.1 billion) was the lowest since April 1999 (\$4.8 billion).
- February imports from China (\$6.39 billion) were the lowest since May 1999 (\$6.36 billion).
- February imports of crude petroleum (252 million barrels) were the lowest since December 1999 (249 million barrels).
- February exports of consumer goods (\$8.0 billion) were a record.

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U.S. INTERNATIONAL TRADE

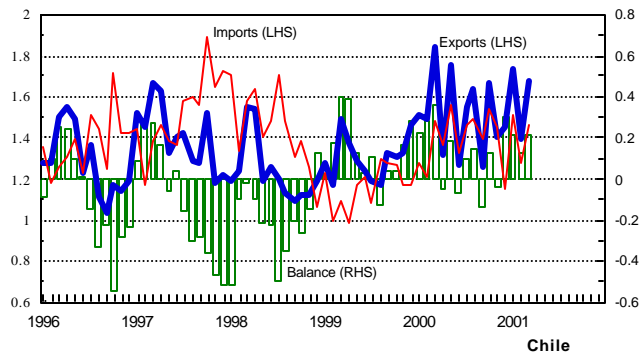


Chile's Economy grew 5 percent during 2000; inflation remains moderate; but unemployment is above year ago levels, and industrial production was weakening at year end 2000 and into 2001.

Chile's Trade with the World - reached US\$9.1 billion during the first three months of 2001, up 2.9 percent over the same period in 2000. During this period, Chilean exports totaled \$4.8 billion, a bit below a year ago, while imports were \$4.3 billion, up 7.2 percent. As a result, Chile had a trade surplus of \$2.2 billion (annual rate) in early 2001, down from \$3.5 billion the year before.

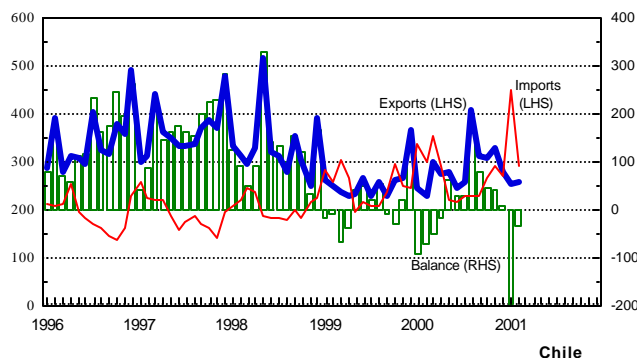
INTERNATIONAL TRADE

(Merchandise, Billions of U.S. Dollars)



U.S. TRADE WITH CHILE

(Merchandise, Millions of Dollars)



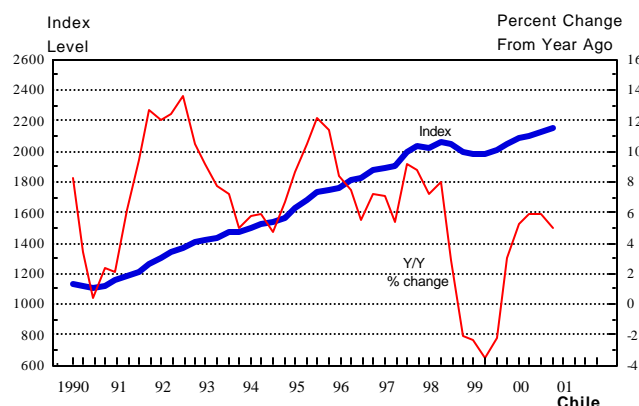
U.S.-Chile Bilateral Trade -

reached US\$1.3 billion during the first two months of 2001, a 12.6 percent increase over the same period a year ago. During this period, U.S. exports to Chile totaled \$508.9 million, an increase of 7.5 percent over the same period a year ago, and U.S. imports were \$741.5 million, an increase of 16.4 percent. The United States had a trade deficit with Chile of \$1.4 billion (annual rate). This compares to \$1.0 billion in early 2000.

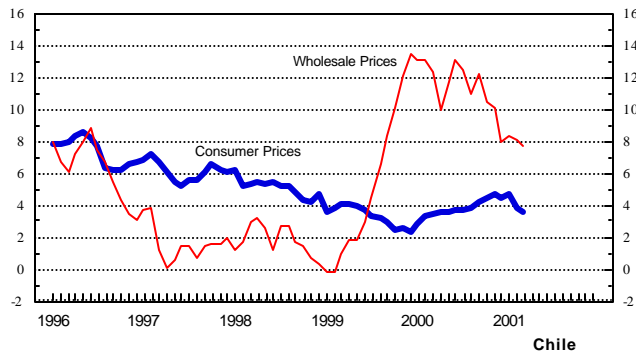
Developments in Economic

Growth - At the end of 2000, Chile's economy had risen 5.0 percent from the year before. The economy had slumped in 1998 and early 1999, before resuming growth. Data on industrial production shows some weakness at year end and into 2001, with levels at or slightly below early 2000.

REAL GROSS DOMESTIC PRODUCT



INFLATION RATES



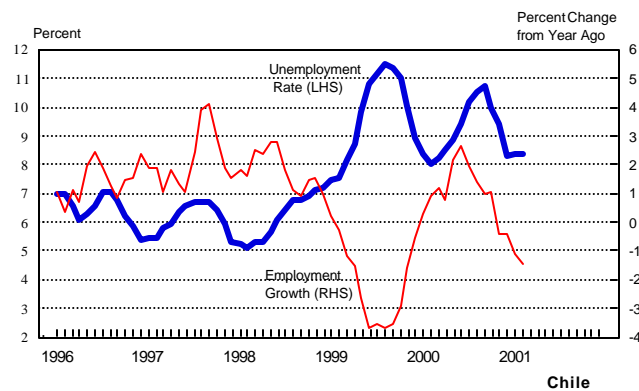
Developments in Inflation-

Chile's consumer price inflation was 3.5 percent in March 2001. Prices at wholesale were up nearly 8 percent over the past year.

LABOR MARKETS

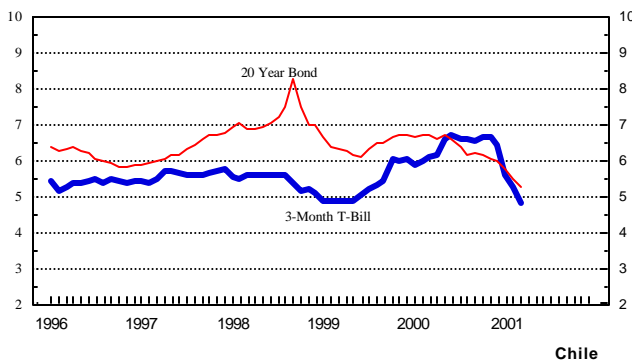
Developments in Labor Markets-

Chile's unemployment rate still hovers at a relatively high 8.4 percent level in February 2001, up slightly from a year earlier. Employment has slipped somewhat recently and is below levels of a year ago.



INTEREST RATES

(Percent)



Developments in Financial

Markets - The Chilean Peso has depreciated at a fast pace in the past year, with the conversion rate increasing from 505.54 pesos per dollar in March 2000 to 588.867 in March 2001. The 20 year bond rate reached its four year low in April 2001, dropping to 4.7 percent.